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C O N F I D E N T I A L SECTION 01 OF 04 DHAKA 000499

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DEPT FOR SCA/PB AND SCA/FO

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TAGS: [EAGR](#) [EAID](#) [PGOV](#) [PINR](#) [PREL](#) [PTER](#) [BG](#)  
SUBJECT: CHIEF ADVISER PLEDGES TO ADHERE TO ELECTION  
ROADMAP, CONTINUE REFORMS, ADDRESS FOOD CRISIS, AND  
STRENGTHEN RELATIONS WITH US

REF: DHAKA 468

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b) and (d)

Summary  
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¶1. (C) Chief Adviser Dr. Fakhruddin Ahmed characterized U.S.-Bangladeshi relations as "very solid and based on common values," during his introductory meeting with the Ambassador May 4. Fakhruddin reiterated the Caretaker Government's commitment to holding free, fair and credible elections according to the election roadmap. He stressed the need to continue reforms that would strengthen Bangladesh's democracy in the future and indicated that he would play an active role in the next phase of the political dialogue with the parties. Fakhruddin expressed disappointment with the International Community's response to Bangladesh's request for food assistance following Cyclone Sidr. Fakhruddin said additional food assistance would be needed to build stocks and continue providing assistance to the most vulnerable population. He expressed hope that the country would benefit from the recent announcement by the USG regarding additional global food aid. Fakhruddin welcomed the upcoming visits by SCA A/S Boucher and S/CT Coordinator Dailey. The Chief Adviser argued that, while perhaps not perfect, Bangladesh's new anti-money laundering law represented a step in the right direction. Fakhruddin reiterated his government's commitment to fighting terrorism.

Ambassador Meets Chief Adviser  
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¶2. (C) The Ambassador paid his introductory courtesy call on Bangladesh's Chief Adviser, Dr. Fakhruddin Ahmed, May 4. Kazi Mainul Islam, the Chief Adviser's Secretary; Syed Fahim Munaim, his Press Secretary; Shabbir Ahmed Chowdhury, Foreign Ministry Director General Americas; and Pol/Econ Counselor (notetaker) also participated in the 45 minute meeting. The meeting comes two weeks after the Ambassador presented his credentials to President Iajuddin Ahmed and on the heels of his introductory meeting with Foreign Affairs Adviser Iftekhar Ahmed Chowdhury (Reftel).

Bangladesh-U.S. Relations Based on Common Values  
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¶3. (C) Welcoming the Ambassador, Fakhruddin characterized U.S.-Bangladesh relations as "very solid" and based on common

approaches and values. The Chief Adviser noted the multifaceted nature of the relationship, emphasizing that the U.S. was the primary destination for Bangladesh's exports. Fakhruddin also stressed the significant number of Bangladeshis who studied in the U.S., many of whom made significant contributions to both countries. Fakhruddin expressed his hope that the relationship would grow stronger in the coming years. He and the Ambassador agreed that Non-Resident Bangladeshis living in the U.S. could make a great contribution in both countries.

#### CTG Committed to Implementing Roadmap

14. (C) Reacting to the Ambassador's comment that this would be an important year for Bangladesh, Fakhruddin expressed a strong commitment to implementing the electoral roadmap he announced in July 2007, which called for holding elections by the end of 2008. While admitting that there were difficulties, Fakhruddin was adamant that the goal of holding elections this year was "definite and fixed." He promised that Bangladesh would hold "free, fair and credible" elections and ensure a level playing field for all candidates.

15. (C) Fakhruddin added that it was important to take advantage of the current opportunity to address the serious problems in governance, including corruption, that had plagued Bangladesh since 1991. He wanted reforms to be both transparent and durable. For example, he stressed the importance of a new voter list that would be acceptable to all. He acknowledged that some had questioned why it was taking so long to finalize the list, but added that a project

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this ambitious had never been attempted in the past. Despite the challenges, including limited seasonal access to remote areas, Bangladesh was on track to register 80 million voters. He said that this should be seen as a creditworthy achievement by all. Fakhruddin said he wanted to ensure that the reforms his government was pursuing would put Bangladeshi democracy on a firmer footing, and reiterated that he was committed to transferring power to a government that could continue the reforms.

#### Status of Political Dialogue: Next Steps

16. (C) Fakhruddin said he would play a crucial role in the next phase of the political dialogue. He had kept in close touch with the CTG Advisers who had been involved in the recently concluded "pre-dialogue." Both he and the CTG recognized that the parties had a critical role to play in a democratic system, and Fakhruddin said that the parties would have the responsibility of governing the country in the future. At this point, the CTG was trying to build confidence in the political process in order to set the stage for elections and a smooth transfer of power. His general sense was that everyone would do their best to see the dialogue succeed.

17. (C) Fakhruddin confirmed that he would soon address the nation regarding the next steps in the political process. He noted that he had last spoken to the nation in January, and said it was time to do so again. He would lay out some of the issues that were important for the upcoming transition, including elections. He added, however, that details regarding the elections themselves were up to the Election Commission (EC). Fakhruddin said that the independence of the Election Commission had been at issue in the past, and he wanted to ensure that the Commission was able to function without government interference.

18. (C) Fakhruddin said that even as the voter registration process continued, the EC had completed its dialogue with the political parties. The EC was now formalizing its recommendations, including proposed changes to the election

law and a code of conduct for the parties. Fakhruddin characterized these as important steps that had been demanded by the people. The reforms would likely include changes to political party registration process, campaign financing, and the conduct of elections. These reforms would be subject to scrutiny by civil society and would reflect the demands of the people for changes. He expected the EC to enact those changes within their area of responsibility and propose others to the CTG for action in the next few weeks.

¶9. (C) Fakhruddin told the Ambassador he hoped that Bangladesh could continue to count on the USG's support as it continued to implement reforms. He said that the CTG was committed to elections that would be credible both internally and externally.

#### Disappointed by International Response on Food Aid =====

¶10. (C) The Ambassador informed the Chief Adviser that the USG would be announcing additional food aid for Bangladesh, including \$10 million in food to be provided to victims of Cyclone Sidr. Fakhruddin welcomed this, but expressed overall disappointment with the international community's lackluster response to appeals for food aid made immediately after the cyclone. He said that the amount of food aid provided by Bangladesh's development partners had been "miniscule" and said that he had been disappointed. The food shortages that Bangladesh had faced have been beyond the CTG's control, and a result of natural calamities (including those made worse by climate change).

¶11. (C) After the cyclone Bangladesh realized it needed to import food, and immediately began to do so, the Chief Adviser contended. The GOB had also asked for an additional 500,000 MT of food from the donor community. Very little additional food had been forthcoming in response to that appeal. Fakhruddin said that the CTG had realized after the cyclone that attention would soon shift to other disasters and that food aid would eventually be diverted elsewhere. Lacking aid from donors, Bangladesh turned to the private

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sector and public sector to purchase food from abroad. The CTG was able to procure food and also manage the country's dwindling stocks. At the same time, the CTG had to provide increased assistance to those most vulnerable to higher food prices and scarcity.

¶12. (C) To meet these needs, Fakhruddin pointed out the government had increased outflows of food through the Open Market Sales program. Also, the CTG and farmers had focused their efforts on expanding domestic food production, which had resulted in higher yields of potato, wheat, corn, and rice. A problem remained, however, that food prices were still high, which will require the government to continue to provide assistance beyond the traditional lean season. Another lesson from the current crisis had been the need to build up larger food stocks. As a result, even with the predicted bumper harvests the government will need to continue to procure food locally and abroad. Fakhruddin thanked the Ambassador for our increased food aid donations, noting this would be put to good use.

¶13. (C) Fakhruddin said that whatever happened, Bangladesh must build up food stocks since it could no longer afford risks of shortages. He noted President Bush's recent announcement of increased USG food assistance in response to the global food crisis and requested that Bangladesh be considered as a potential beneficiary. The Ambassador promised to convey this request to Washington. Fakhruddin summed up by noting that it was counterproductive to send a signal that "success is not rewarded" and that Bangladesh should not be punished for its success in managing its overall food situation.

## Look at the Big Picture

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¶14. (C) Fakhruddin said that despite the immediate problems and limitations, Bangladesh should be recognized for its achievements over the past decades. Thanks to the achievements over this period, Bangladesh was well positioned to move ahead. The goal for the future was equitable development. He pointed out that Bangladesh had achieved gender parity in schools, with almost universal access to primary education. Fakhruddin welcomed the Ambassador's announcement that A/S Boucher and S/CT Coordinator Dailey would be visiting Bangladesh soon. It was important that these visitors get an accurate picture of what was taking place in Bangladesh.

## Anti-Money Laundering Law

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¶15. (C) Fakhruddin reiterated Bangladesh's commitment to fighting terrorism, both at home and abroad. The Ambassador shared our concerns regarding deficiencies in the recently approved anti-money laundering laws. He said that we were concerned that these new laws might not meet international standards and reiterated our willingness to work with Bangladesh to correct any flaws. Fakhruddin acknowledged that the new laws might not be perfect, but asked that Bangladesh be given credit for the progress that had been made both in improving the legislation but also improved vigilance within the financial sector, including at the Bangladesh Bank (which he previously led). Further changes to the anti-money laundering law could be made, but there would have to be a strong justification to again amend the laws so soon after they had been revised. Fakhruddin expressed a willingness to work with the USG on "next steps" to strengthen Bangladesh's anti-money laundering regime. The Ambassador stressed the importance of making progress in advance of a planned evaluation by the Financial Action Task Force.

## Comment

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¶16. (C) In this introductory meeting, Fakhruddin sent a clear message regarding his commitment to implementing the electoral roadmap by holding free, fair and credible elections by the end of 2008. While also stressing the importance of ensuring the continuity of reforms, he did not give any hints that elections would be held hostage to the

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reform effort. Fakhruddin's frustration over the tepid donor response to Bangladesh's food aid request is understandable. He demonstrates a clear understanding of the need to not only address food supply but also affordability for/access by the most vulnerable groups. In all, Fakhruddin did a very good job presenting the CTG's case for continued support from the international community.

Moriarty